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#### PROJECT NO. 51840

RULEMAKING TO ESTABLISH	§	PUBLIC UTILITY COMMISSION
ELECTRIC WEATHERIZATION STANDARDS	§ 8	OF TEXAS
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# TEXAS PUBLIC POWER ASSOCIATION'S RESPONSE TO STAFF'S DISCUSSION DRAFT AND QUESTIONS FOR COMMENT

The Texas Public Power Association (TPPA) appreciates the opportunity to respond to the request for comments by the Public Utility Commission of Texas (Commission) regarding its rulemaking to establish electric weatherization standards. These comments are submitted on behalf of TPPA and do not necessarily reflect the opinions of any individual TPPA member.

Formed in 1978, TPPA is the statewide association for the 72 municipally-owned utilities (MOUs) in Texas. TPPA members serve urban, suburban, and rural Texas and vary in size from large, vertically-integrated utilities to relatively smaller distribution-only systems. We are proud to serve approximately 5.1 million Texans across the state. Sixty-three of our members operate within the Electric Reliability Council of Texas (ERCOT) region¹ and nine are located within either the Southwest Power Pool (SPP) or Midcontinent Independent System Operator (MISO) region. MOUs offer a long track record of stability, and we serve an essential role in providing secure and reliable power to the wholesale electricity markets in these regions, including ERCOT. Many of our member systems have been providing stable and reliable electric power to communities in Texas for over 100 years, and collectively, our members provide more than 10,500 MW of generation and maintain nearly 3,000 miles of high-voltage transmission assets.

## I. Background

Under new PURA § 35.0021, as created by Senate Bill 3, 87<sup>th</sup> regular session (SB3), the Commission shall develop rules that require each provider of electric generation service to prepare its owned generation assets to adequately generate electric service during a weather emergency according to reliability standards adopted by the Commission. Similarly, under new PURA § 38.075, as created by SB3, the Commission shall develop rules that require each MOU, electric cooperative, and transmission and distribution utility providing transmission service in the ERCOT

<sup>&</sup>lt;sup>1</sup> 70% of Lubbock Power and Light's customers were moved to the ERCOT region on May 29 and 30, 2021. The remainder will be transitioned from SPP in 2023.

power region to implement measures to prepare the cooperative's or utility's facilities to maintain service quality and reliability during a weather emergency according to standards adopted by the Commission.

On June 6, 2021, Commission Staff posted a Request for Comments in this docket, seeking comments by June 23. TPPA, along with dozens of other stakeholders, including ERCOT, filed responsive comments.<sup>2</sup> On July 19, Commission Staff posted a Discussion Draft and Questions for Comment, requesting comments by July 30. These comments are timely filed.

## II. Executive Summary

TPPA generally supports the discussion draft as proposed by Commission Staff. In its initial comments, TPPA emphasized that the Commission should adopt rules that allow affected market participants to innovate new practices, and the draft rule provides flexibility for the different types of weather preparedness measures used by an individual facility. TPPA also argued that the proposed rule should provide a safe harbor for weather preparation measures that fail because of factors outside the reasonable control of the generation entity or transmission service provider. The draft rule provides that both types of entity must maintain weather preparation measures that reasonably ensure operations to a specified standard, and TPPA believes this approach allows for such a safe harbor.

TPPA does have concerns with the uncertainty imposed by this draft rule, both with regards to the results of the weather study and with the proposed delegation of regulatory requirements to ERCOT. Given the aggressive compliance deadlines envisioned by the proposed rule and the potential for these new regulatory requirements to have significant financial impacts on market participants and the end-use customers who receive power through this market, TPPA recommends that the Commission utilize the ERCOT weather study to develop compliance standards rather than mandating standards first and then studying what compliance with those standards would entail.

Below, TPPA offers comments on the following subsections and topics:

 Definitions: The Commission should retain critical definitions in Commission rules, rather than incorporating ERCOT definitions by reference. Further, the Commission should

<sup>&</sup>lt;sup>2</sup> TPPA's response to the Request for Comments may be found here: https://interchange.puc.texas.gov/Documents/51840\_5\_1135327.PDF

- ensure that its definitions do not inadvertently exclude generation entities that have not registered with the Commission.
- ERCOT weather study: The Commission should allow for more public participation in how ERCOT designs and conducts its weather study. Additionally, the Commission should not yet adopt compliance standards without first reviewing the findings of the ERCOT weather study.
- Basic weather reliability standard: The Commission should provide for a waiver process for entities that cannot meet the standard and would be otherwise forced to mothball or retire.
- Implementation of basic standard: The Commission should also consider unit age as a major factor in determining a compliance timeline and should consider allowing for a phased approach to compliance.
- Compliance with weather reliability standards: The Commission should not delegate to ERCOT what information is required for compliance and should instead ensure that necessary requirements can be located in one place. Further, the Commission should clarify when the initial compliance study and annual report are required and consider allowing flexibility on the responsible party for confirming compliance with each.
- ERCOT inspection report: The Commission should require ERCOT to deliver any inspection reports in a written form.
- Limitations on provision of enhanced weather services: The Commission should maintain
  the right to disqualify entities from providing services instead of ERCOT, as required by
  recent legislation.
- Weather-related failures to provide service: The Commission should promulgate rules
  detailing what a weather-related failure to provide entails, instead of delegating that
  rulemaking to ERCOT.
- ERCOT inspection of transmission service providers: The Commission should clarify that ERCOT may base its inspections on a representative sample to the transmission network to avoid confusion as to whether ERCOT is required to inspect the entire system.

## III. Answers to Staff Questions

In its filing, Commission Staff requested comments on two questions.

1) What is the availability of statistically reliable weather information from, e.g., the American Society of Heating, Refrigeration and Air Conditioning Engineers; National Weather Service; or other sources for the ERCOT power region? Please share the source of that information.

TPPA recommends that the Commission charge ERCOT with identifying and recommending statistically reliable weather information, particularly sources that can be obtained by market participants and the public at low to no cost. As discussed in greater detail below, TPPA believes that the rule should provide more detail as to the methodology of the required ERCOT weather study, and the identification of statistically reliable weather information should be part of ERCOT's charge.

That said, TPPA does note that the Legislature has already tied several existing Commission requirements to rely on weather data and projections from the National Weather Service, including REP and TDU extreme weather disconnection moratoria under PURA § 39.101(h). TPPA believes that the NWS is a valid source of statistically reliable weather information.

Do existing market-based mechanisms provide sufficient opportunity for cost recovery to meet the weather reliability standards proposed in the discussion draft? If not, what cost recovery mechanisms should be included in the proposed rule?

TPPA notes that, in response to the extreme winter storm, Governor Abbott insisted that weatherization be mandated, but also that funding be allocated.<sup>3</sup> The Legislature did not directly allocate any funding for this purpose during the regular session. Shortly before the start of the special session, Governor Abbott directed the Commission to "streamline incentives within the ERCOT market to foster the development and maintenance of adequate and reliable sources of power, like natural gas, coal, and nuclear power," noting that the Commission "has the ability to

<sup>&</sup>lt;sup>3</sup> See Governor Abbott Declares Power System Winterization, Related Funding As Emergency Items, Provides Update On Winter Weather Response, Press Release, Feb. 18, 2021. <a href="https://gov.texas.gov/news/post/governor-abbott-declares-power-system-winterization-related-funding-as-emergency-items-provides-update-on-winter-weather-response">https://gov.texas.gov/news/post/governor-abbott-declares-power-system-winterization-related-funding-as-emergency-items-provides-update-on-winter-weather-response</a>

redesign segments of the market to incentivize and maintain the reliable electric generating plants our state needs."4

Weatherization is a critical component of maintaining adequate and reliable generation, and TPPA believes that the Commission should read the Governor's comments on this topic as a directive to create incentives, possibly including some sort of a cost-recovery mechanism, for generation assets that undergo the costly process of weatherizing. While TPPA generally opposes out-of-market cost recovery, TPPA recognizes such actions may be needed to maintain resource adequacy. TPPA recommends that the Commission open a new project or initiate a future phase in this rulemaking to consider a cost recovery mechanism based on a demonstration of a significant financial burden that would otherwise result in premature retirement of the generation resource.

## IV. Section-by-Section Comments

25.55(b). Definitions. TPPA notes that two of the new proposed defined terms ("Generation entity" and "Resource") are tied to other definitions contained within the ERCOT Protocols. This is a practice that the Commission has historically not undergone – for instance, not a single definition within PUC Subst. R. 25.5 contains citations to definitions found within the ERCOT Protocols.

TPPA believes that the Commission should maintain a separation between its definitions and ERCOT's definitions. Being able to find the entirety of a definition in one section without needing to reference a different regulatory body's rules increases the ability of both market participants and the public to readily understand the requirements of rules. Moreover, having the definition wholly in one place better ensures that the term is used deliberately and harmoniously—if ERCOT modifies its definition for its purposes, the meaning and interpretation of the Commission rule that relies on it could change dramatically.

25.55(b)(1), Generation entity. In this definition, a generation entity is considered to be "[a]ny ERCOT-registered Resource Entity..." TPPA is concerned that making registration with ERCOT a necessary precondition to the applicability of this term could create confusion as to the

<sup>&</sup>lt;sup>4</sup> See Governor Abbott Directs Public Utility Commission To Take Immediate Action To Improve Electric Reliability, Press Release, July 6, 2021. <a href="https://gov.texas.gov/news/post/governor-abbott-directs-public-utility-commission-to-take-immediate-action-to-improve-electric-reliability">https://gov.texas.gov/news/post/governor-abbott-directs-public-utility-commission-to-take-immediate-action-to-improve-electric-reliability</a>

<sup>&</sup>lt;sup>5</sup> It is unclear whether "Resource Entity," as used in this definition, refers to the ERCOT Protocols definition of Resource Entity. As noted above, TPPA believes that the Commission should maintain discrete definitions within its rules rather than citing to ERCOT's definitions.

applicability of these rules to entities that fail to register with ERCOT. While operating an unregistered generation entity is a violation of both Commission rule and ERCOT Protocols, TPPA believes that these rules should apply to any generation entity, regardless of whether it registers with ERCOT, and this rule, as written, could be interpreted otherwise.

25.55(c). Weather study. Under the proposed rule, ERCOT will develop a weather study that discusses various extreme weather scenarios by January 1, 2022, and entities will have to adopt weather preparation measures that reasonably ensure service under those scenarios as soon as November 30 of that year. TPPA is concerned with the black box nature of this study, including the rule's preset standards before the study is conducted.

As noted by several commentators in response to Commission Staff's initial Request for Comments, including TPPA, NERC drafted its proposed Cold Weather Standards with significant stakeholder input, and the National Electrical Safety Code (NESC) provides regional design criteria for temperature, wind, and ice that is widely used throughout the industry, including the ERCOT region. TPPA reiterates its belief that the Commission should ensure that any weather standards it implements under this rule are complimentary to other regulatory requirements, including the Cold Weather Standards and the NESC, to ensure that the Commission does not inadvertently create conflicting requirements.

To meet the January 2022 timeline, ERCOT's report will need to be drafted in mere months, limiting the ability for stakeholder review and input. Important decisions will need to be made on the details of the study methodology, including data sources and the time period of study (including historical time period and forward-looking considerations), modeling assumptions, and designation of weather zones. TPPA believes that stakeholders should have the opportunity to weigh in on the study methodology, any draft study results, and final standards based on the study results. This will better ensure that the study is conducted in a transparent manner and provides a reasonable basis for establishing the standards without creating significant unintended negative consequences (including the premature retirement of generation resources or significant increases in customer costs associated with power supply and transmission without receiving commensurate benefits). This will also help ensure that there is enough differentiation between standards to

<sup>&</sup>lt;sup>6</sup> Due to the new requirement of PURA § 39.151(d), as amended by Senate Bill 2, 87th Regular Session, that any ERCOT rules or policies first receive Commission approval before going into effect, it is possible that a final version of the ERCOT weather study will not be ready until weeks after the January 1 deadline.

warrant customers paying a premium for generation resources that meet the enhanced weather reliability and Black Start Service standards.

To that end, TPPA believes it is premature for this rule to specify the use of 95<sup>th</sup>, 98<sup>th</sup>, and 99<sup>th</sup> percentile standards<sup>7</sup> before ERCOT performs its weather study. Instead, TPPA recommends that the Commission utilize this rule to better scope out the parameters and requirements of the ERCOT study and promulgate weatherization standards after the ERCOT study undergoes a robust stakeholder process. TPPA also recommends similar changes to proposed 25.55(i), which specifies that transmission service providers must implement weather preparation measures to the 98<sup>th</sup> percentile standards.

In that same vein, TPPA believes that a new paragraph (3) should be added to this subsection (c), allowing ERCOT to consult with entities other than the Office of the Texas State Climatologist in drafting its weather study. The proposed rule, as drafted, requires ERCOT to draft its weather study in consultation with the Office of the Texas State Climatologist, but it is silent as to whether ERCOT may consult with other entities. Because ERCOT should be encouraged to consult with whatever entities it needs to develop an accurate and comprehensive weather study, TPPA is concerned that that language, as drafted, may be read to disallow ERCOT from consulting with other entities. TPPA recommends the following language be added:

(3) In addition to the Office of the Texas State Climatologist, ERCOT may consult with any other person or entity it finds necessary in preparing the weather study, including ERCOT market participants.

25.55(d)(1). Basic weather reliability standard. As drafted, the proposed rule requires every generation entity to maintain weather preparation measures that reasonably ensure operation under the 95<sup>th</sup> percentile of the extreme weather scenarios discussed in ERCOT's weather study. In addition to the concerns noted above regarding pre-setting this percentile requirement, TPPA is concerned about generation units that may not be able to meet that requirement absent significant investment that would make the unit uneconomic, potentially creating a situation where some units – ones that operate well during the majority of the year and for the majority of extreme weather circumstances – may be forced to mothball or permanently retire, creating resource adequacy

TPPA also notes a potential inconsistency with this section's requirement that ERCOT's weather report discuss 99th percentile extreme weather scenarios and proposed 25.5(d)(3), which requires Black Start Service units to weatherize to the 99.7th percentile. TPPA recommends that these standards be harmonized.

concerns for the grid as a whole. To help mitigate this situation, TPPA recommends that the rule include a provision where these marginal units may petition the Commission for a waiver of this requirement for good cause shown where reasonable weather preparation measures to this minimum standard would cause the unit to be uneconomic. The Commission's evaluation could consider factors such as design criteria, overall compliance with the weatherization standards, the level of variance from the standard, costs required for compliance, and system reliability needs in determining whether to grant this good cause waiver. TPPA only recommends this waiver for the proposed basic weather reliability standard; TPPA does not propose such a waiver for the enhanced weather reliability service standard or the Black Start Service weather reliability standard.

TPPA also notes that the proposed rule states that the generation resource must provide service at the generation resource's applicable rated capability as defined by ERCOT. TPPA suggests that this be modified to require service at the seasonal rated capacity as submitted to ERCOT by the generation resource.

25.55(e)(1). Implementation of basic weather reliability standard. In the draft rule, Commission Staff proposes a stepped timeline for compliance based on unit size. TPPA recommends that the Commission base this timeline on unit age, while still factoring in unit size, allowing older units more time to come into compliance. Generally, newer units with more modern design parameters are more readily able to comply with the weatherization standards that the Commission will promulgate, ensuring that the grid is better able to face upcoming winters and summers. This will provide more time for older, more marginal units to consider and absorb the costs associated with meeting new compliance requirements, which will help minimize unintended negative consequences to resource adequacy.

Further, as noted above, the first compliance timeline is mere months after ERCOT issues its weather study detailing the weather conditions entities must weatherize toward. TPPA recommends that the Commission consider phasing in this requirement, as NERC often does. For instance, when NERC implemented its MOD-025-2 standard, relating to real and reactive power capability, it phased in the requirement over several years.<sup>9</sup> Alternatively, the Commission could

<sup>&</sup>lt;sup>8</sup> Such a waiver would also align with the Governor's directive that the Commission design the market to incentivize and maintain reliable generation plants.

<sup>&</sup>lt;sup>9</sup> See <a href="https://www.nerc.com/pa/Stand/MOD0252DL/Project 2007-09">https://www.nerc.com/pa/Stand/MOD0252DL/Project 2007-09</a> GV MOD-025 Imp Planclean 2012Dec05.pdf. In this case, generation and transmission owners were required to have at least 40% of their units in compliance within two years, 60% within three years, 80% in four years, and 100% in five years.

phase in the different requirements themselves, allowing later timelines for weather that occurs later in the year.

25.55(f). Compliance with weather reliability standards for a generation entity. In this subsection, the Commission grants to ERCOT significant leeway in determining what sort of information will be required in both the initial compliance study and the annual report. As noted above, TPPA opposes splitting critical compliance information between two separate regulatory bodies. TPPA believes that the Commission should determine what information is required, similar to the final version of PUC Subst. R. 25.97, relating to line inspection and safety, including the creation of any necessary forms. Under the requirements of PURA § 39.151(d), as amended by Senate Bill 2, 87th regular session (SB2), the Commission will have to approve any rules ERCOT adopts in relation to these reports, and having these requirements in one place, easily accessible to the public, allows for better understanding and compliance.

25.55(f)(1). Compliance study. TPPA is concerned about the cost of the compliance study in relation to its benefit to overall reliability, as the Commission has not traditionally required all affected entities to proactively affirm compliance after it promulgates a rule, especially when the affected entities cover such a wide swath of market participants. In addition, the proposed rule does not clearly indicate under what circumstances the initial compliance study is to be provided — whether it is required for every entity after the initial implementation under proposed 25.55(e)(1) for generation entities and proposed 25.55(j) for transmission service providers or only for generation entities that commence commercial operations after the effective date of the rule as per proposed 25.55(d)(4). Should the Commission require this atypical measure, TPPA recommends that the rule indicate more clearly when this initial compliance study is required.

Further, the proposed rule requires that this initial compliance study be conducted by a qualified professional engineer who is not an employee of the generation entity or affiliate. TPPA agrees with this separation requirement for generation resources that experience repeated or major weather-related outages or derates under proposed 25.55(h)(3), 10 but TPPA believes this separation is not necessary for this initial compliance study. Professional engineers are subject to a stringent ethics code, and TPPA believes that the Commission and ERCOT would benefit from an initial compliance study made by an engineer that is well-versed in the day-to-day operations of a facility.

<sup>10</sup> TPPA takes no position on whether this separation requirement should be extended to transmission service providers in proposed 25.55(m)(3).

Further, there is a limited supply of qualified, independent engineering firms or engineers that can provide this type of study. Given the amount of generation resources and transmission facilities in the ERCOT region, requiring a study from an engineer unassociated with the generation provider could create significant challenges with meeting the initial compliance deadlines.

Finally, subsection (f)(1)(B) requires a new study "no later than 60 days after any significant change affecting the ability of a resource to meet the applicable weather reliability standard in subsection (d) of this section." It would be helpful for the Commission to provide more guidance on what it means by a "significant change" in this provision. Without a more concrete standard, there could be confusion both among industry and the public when such updates may be required.

25.55(f)(2). Annual report. The proposed rule requires generation entities to submit an annual report to ERCOT on weather preparation measures by November 1 of each year. Generation entities are currently required to submit a declaration of summer weatherization preparedness to ERCOT by June 1 of each year and winter weatherization preparedness by December 1 of each year. TPPA recommends that the Commission rule be aligned with existing ERCOT Protocols to require the annual report by December 1 of each year. This alignment will ensure that both the Commission and ERCOT will be working from reports generated at the same time. Moreover, moving the requirement back will better allow generation entities to complete winter weatherization preparations, which may require brief outages during shoulder months, in advance of the submission of the affidavit. A November 1 reporting deadline could necessitate outages in September, when demand may still be close to summer levels, creating an increased risk of capacity shortages. Moving the deadline back one month to match an existing ERCOT deadline would help to ameliorate this issue.

As noted above with the initial compliance study, the rule is also unclear as to when this requirement begins – whether it be upon rule implementation or after the stepped timeline under proposed 25.55(e). TPPA recommends that the rule indicate more clearly when this annual report will begin to be required.

The proposed rule also requires the chief executive officer of the generation entity to sign an affidavit attached to the annual report. TPPA recommends that this requirement be modified to require an "executive officer" as the affiant to incorporate those generation entities that have

<sup>11</sup> ERCOT Protocols § 3.21(3-4).

general managers in lieu of a titled CEO. This may also result in affidavits being based on more personal knowledge if another executive officer (such as a COO) has more direct oversight of the weatherization process, while still ensuring the requisite seniority of the affiant. Further, because one person may not possess all the requisite personal knowledge as to every applicable facility, any such affidavit requirement should be based on the personal knowledge of the affiant or through reliance on people with personal knowledge.

TPPA recommends the following language:

(1) Annual report. Each generation entity must submit an annual report to ERCOT no later than November December 1 of each full year following the implementation deadline under subsection (d) of this subsection. This annual report will address that addresses compliance with subsection (d) of this section. The report must include the name of the generation entity, a list of the generation entity's resources, a summary of activities related to compliance, and all other information prescribed by ERCOT in its market rules the commission. The annual report must also include a notarized affidavit sworn to by the chief an executive officer of the generation entity, attesting that each of the generation entity's resources is in compliance with subsection (d) of this section.

TPPA recommends similar changes to proposed 25.55(k), as applied to transmission service providers.

25.55(g)(2), ERCOT inspection report. The proposed rule requires ERCOT to provide its inspection report to the generation entity, but it does not specify whether that report must be in writing or if it may be a verbal report. To ensure that generation entities are fully aware of the results of ERCOT's inspection, TPPA recommends that the rule require a written report. TPPA recommends similar changes to proposed 25.55(I)(2), as applied to transmission service providers.

25.55(h)(2), Limitations on provision of BSS or any enhanced weather reliability service. As drafted, the proposed rule allows ERCOT to disqualify a generation entity from providing Black Start Service or enhanced weather reliability service. As noted above, SB2 requires that the Commission affirmatively approve any ERCOT rules. SB2 also requires that any enforcement actions taken by ERCOT also require Commission approval. Disqualification from these services is an enforcement action, and therefore, under SB2, ERCOT should first seek Commission approval before the disqualification occurs. TPPA recommends that the rule be revised to better incorporate this process. TPPA recommends the following language:

(2) Limitations on provision of BSS or any enhanced weather reliability service. A generation entity must not use a resource to provide BSS or an enhanced weather reliability service implemented under subsection (d) of this section if the resource has been found by ERCOT the commission to have violated compliance with subsection (d) of this section until ERCOT has determined that the violation has been cured. However, ERCOT may allow the continued use of the resource for the service if it determines that the resource is needed for reliability reasons and must direct the generation entity to use best efforts to expeditiously cure the violation.

25.55(h)(3). Weather-related failures to provide service. As drafted, the proposed rule requires ERCOT to draft and adopt rules that detail the circumstances under which an entity, after experiencing major or repeated weather-related forced interruptions of service, must contract with an outside engineer to assess its weather preparation measures. TPPA believes the Commission should draft and adopt these rules. As noted above, TPPA believes that these rules, where possible, should be found in a single location and managed by one regulatory body to promote ease of access for both regulated entities and the public and overall consistency. Further, it appears that the Legislature intended for the Commission to promulgate these rules, not ERCOT – PURA § 35.0021(d) states that "[t]he commission by rule shall require a provider of electric generation service . . ." (emphasis added). TPPA asserts that the Legislature directed the Commission to adopt these rules, and therefore, the Commission should not delegate that task to ERCOT. TPPA recommends that the Commission utilize this rulemaking to develop those standards.

As an opening suggestion, TPPA recommends that the Commission consider requiring such an assessment be made when a generation resource experiences either 1) a weather-related outage or derate that takes more than 50% of its nameplate capacity offline for more than 24 continuous hours, or 2) three weather-related outages or derates that take more than 20% of its nameplate capacity offline for more than 24 continuous hours in a rolling five-year period. Further, the rule should recognize that a weather-related outage or derate should not include circumstances where the outage is due to a failure in weather preparedness or other supply interruption attributed to the fuel supplier rather than the generation resource. TPPA also recommends that the Commission provide similar levels of specificity in proposed 25.55(m), as it relates to transmission service providers.

25.5(I)(1), ERCOT inspections. TPPA recommends that the Commission make it clearer that the requirement for ERCOT to inspect each transmission system is intended to mean that a representative sample of the facilities owned by each transmission service provider is inspected and not all transmission facilities owned by a transmission service provider. Given that transmission systems can be thousands of miles long, a full mile-by-mile inspection by ERCOT every three years would entail astronomical costs and challenges. TPPA recommends the following language:

(1) ERCOT inspections. ERCOT must implement an inspection program that reasonably determines whether the transmission systems in the ERCOT power region are in compliance with subsection (i) of this section. ERCOT must implement an inspection schedule that ensures that a representative sample of each transmission system is inspected at least once every three years for compliance with subsection (i) of this section. ERCOT may conduct inspections more frequently than every three years and must prioritize in its inspection schedule any transmission facility it determines is critical for reliability. ERCOT may also prioritize other transmission facilities for inspection, including a transmission facility that has experienced a forced outage or other failures during extreme weather conditions, or has otherwise exhibited other vulnerabilities to weather conditions or deficiencies in weather emergency preparedness. ERCOT has the discretion to determine the extent and content of particular inspections.

## IV. Conclusion

TPPA appreciates the opportunity to submit these comments on the discussion draft. As always, TPPA looks forward to working with the Commission, its staff, and the stakeholders on these important questions and this broader rulemaking in the coming months.

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Respectfully,

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